GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1425
ANSWERED ON:11.03.2005
NON-PAYMENT OF INLAND AIR TRAVEL TAX
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Will the Minister of FINANCE be pleased to state:

(a) whether various aviation companies do not pay the inland air travel tax to Government in time;

(b) if so, the total outstanding amount against each of such companies as on date; and

(c) the steps Government is taking to make companies pay the tax in time?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) to (c): The levy of Inland Air Travel Tax(IATT) has since been fully exempted with effect from 9.1.2004. However, there are eleven defaulting airlines who have not been paying IATT in time in the past. A statement indicating the names of such Airlines with details of arrears, steps taken by the Government to recover such dues is enclosed herewith as Annexure.

ANNEXURE

Statement indicating the names of defaulting airlines with details of amounts in respect of IATT outstanding dues and steps taken by the Government to recover the dues.

S.No.	Name of the Airlines	Outstanding amount# (In lakhs)		Steps taken by Government
		IATT	Penalty	
1.	Raj Aviation (P) Ltd.	46.64	15.12	Airline is not in operation. Certificate action under Sec. 142 of the Customs Act, 1962 initiated. Party filed CWP in the Mumbai High court and the matter is under litigation.
2.	Continental Aviation (P) Ltd.	74.86		Airline is not in operation. Certificate action under section 142 of the Customs Act, 1962 initiated. The process of attachment of property is on.
3.	East West Airlines	253.23	25.72	Distrainment action of the aircraft under Rule 14(4) of IATT Rules, 1989 has been taken. Attachment of Immovable property action also initiated. The party approached the Hon`ble High Court and an official liquidator has been appointed. The case is pursued by the Commissioner Customs (Prev.) Mumbai.
4.	Modi Luft Ltd.	865.07	1737.66	Airline is not in operation. Aircraft was detained by the department. However, the party filed CWP in the Delhi High Court. On the directions of the Hon`ble High Court aircraft released against deposit of Rs. 8 crore and execution of Bank Guarantee for Rs.4.50 crore. Rs.2.50 crore has also been recovered in installments of Rs.50 Lakh per month. Meanwhile the Department

				has also filed SLP in the Hon`ble Supreme Court. Matter under litigation.
5.	U.P. Airways	67.56	54.28	Airline is not in operation. Aircraft was distrained. Rs. 2.09 crore was recovered on the directions of Hon`ble High Court. The party filed CWP in High Court and the matter is under litigation.
6.	V.I.F. Airways	20.73	15.00	Airline is not in operation. Certificate action under section 142 of the Customs Act, 1962 initiated. Commissioner of Customs, Hyderabad is pursuing the case.
7	Skyline NEPC Airlines	406.60	952.34	Airlines are not in operation. Distrainment action of the aircrafts under Rule 14(4) of
8.	NEPC Airlines	181.64	240.14	IATT Rules, 1989 have been taken. Prosecution action also taken and case filed before the appropriate Court under IPC. Properties of the party are being ascertained for further action. Matter is under litigation.
9.	Air Asiatic Ltd.	57.58	18.20	Airline is not in operation. The company has filed CWP in the High Court, Chennai. Matter is under litigation.
10.	Gujarat Airways	56.57	-	Party has already paid Rs.79.62 Lakhs and the recovery of balance amount is strongly pursued.
11.	City Link Airway	60.13	18.47	Airline is not in operation. Certificate action under section 142 of the Customs Act, 1962 initiated.

= [N.B. In all these cases interest under IATT Rules, 1989, for delayed payment will be collected at the time of recovery.]